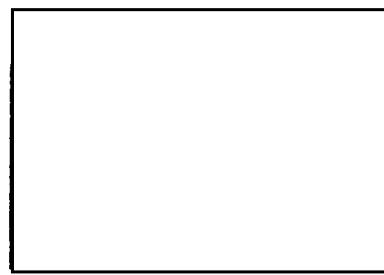


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COUNTRY USSR

SUBJECT Soviet Gold Supply



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THIS IS UNEVALUATED INFORMATION



1. Since 1933, the Soviet Government has published no statistics or other information regarding either the amount of gold being mined, or the quantities of gold which the USSR is holding in reserve.
2. In 1932, a competent organization was set up for the intensive exploitation of the Kolyma gold deposits. This was placed under the police authority of "Dalstroy," which brought together an imposing labor force of prisoners. This force has, since then, been constantly renewed, to make up for the high mortality rate in those frozen regions. Gold extracted from the Kolyma deposits is sent to the port of Magadan. Authorities here take over shipments by sea, mainly to Vladivostok.
3. The Soviets make no secret of the importance that they attach to Magadan. The Presidium of the Supreme Soviet has just made this district an "oblast," which depends directly on the central government. The region gets more and more new inhabitants each year, since liberated criminals are transformed into "free workers"--but always compelled to stay where they are.
4. For lack of official reports, one can reach conclusions regarding this gold only by piecing together such information as does leak out. This comes from Polish prisoners who have escaped from Siberia, and from German prisoners of war who have recently been released by the USSR. The number of condemned prisoners assigned to gold mining in the Kolyma basin in 1953 was about 250,000. Of these, 200,000 were used directly in the mines themselves. The other 50,000 were used either on upkeep of the roadnet, or in various other services essential to the life of the community.

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5. The technique of extraction has been greatly improved during recent years. Mining processes are the basis of production. Alluvial gold is not ignored, however, though production is much less, because of the large number of other minerals mixed with the gold nuggets.
6. Estimates of production in the Kolyma basin are at best approximations. However, the labor norm required of each prisoner is known. Given this fact, Germans repatriated from the USSR estimate that extraction in the Kolyma basin alone reached four hundred tons for 1953. Some of them even aver that the figure reaches 500 tons, but this is certainly the ceiling.
7. Exploitation is also in progress in the Urals (Diechtersk, Miassy, Reveda, Ivdiel, Berezovsk, Sverdlovsk), and in the autonomous republic of Komi on the eastern slope of the Urals. Management is in the hands of Uralzoloto (Ural Gold), a section of Sovzouzgold (Union Gold). The old Lena gold-fields (Lena, Vitim, and Chikma basins) is in full production of about fifty tons a year.
8. There are rich gold deposits in Kazakhstan and the Altai mountains, and prospecting is now going on in Khakassia province and the mountainous center of Kuznetski Alatau.
9. The prison camps for deportees along the Yenisei (Oust-Port, Doudinka, Norilsk, Iojarks, Toureukhansk) provide an important labor force. It is possible that gold production there is quite as important as that on the Lena. The Yakutsk area, with a labor camp at Oust-Adan, is another valuable gold-bearing area, being in one sense a prolongation of the Lena basin. All along the Angara river, there are gold deposits which are being worked. This continues to a point near the Baikal mountains. The prisons of Krasnoyarsk, Kansk, Ilanski, Britsk, and Irkutsk provide thousands of forced laborers. The "Zapolyarno" (West Siberian Gold) trust manages the gold-bearing region along the lower course of the Obi, in the vicinity of Novosibirsk.
10. Less productive deposits are located in the republics of Turkmenistan, Uzbekistan, Tadzhikistan, and Kirgizia. Vigorous prospecting is going forward in Kamchatka and the Chukchi peninsula. The camps in these desolate regions suggest that there is active development of its gold resources.
11. If the figure of 400 tons of gold production for the Kolyma basin in 1953 is accepted, it is reasonable to suppose that 200 tons additional are being mined elsewhere. In other words, the USSR would then be producing 600 tons. This gold is stored by "Stalin-Harpo." Under pressure of events, Malenkov has commenced to disgorge some of the gold in the vaults of the Gosbank. But sale of gold against foreign purchases would not really affect the precious metal reserve of the USSR, which has now become the main gold-producing country of the world.

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